

Message Text

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ORIGIN EUR-12

INFO OCT-01 ISO-00 IO-10 AID-05 CEA-01 CIAE-00 COME-00

EB-07 FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-04

TRSE-00 LAB-04 SIL-01 SAM-01 OMB-01 L-03 AGR-05 TAR-01

SS-15 NSC-05 /089 R

DRAFTED BY EUR/RPE:SVOGELGESANG:APD

APPROVED BY EUR/RPE:EHPREEG

EUR/RPE:WLDUTTON

EUR/SE:JDAY

INR/RES:REDAY

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R 270126Z JUN 75

FM SECSTATE WASHDC

TO AMEMBASSY ATHENS

USMISSION EC BRUSSELS

C O N F I D E N T I A L STATE 151770

E.O. 11652: GDS

TAGS: EEC, GR, PFOR

SUBJECT: ACCELERATED GREEK MEMBERSHIP IN THE EC

1. THE GREEK REQUEST, JUNE 12, FOR ACCELERATED MEMBERSHIP IN THE EC HAS OCCASIONED CONSIDERABLE INTEREST SINCE THAT APPLICATION COULD AFFECT A VARIETY OF US ECONOMIC, POLITICAL AND STRATEGIC CONCERNS IN THE EASTERN MEDITERRANEAN.

2. ALTHOUGH POLITICAL FACTORS WILL PROBABLY PROVE PARAMOUNT, THE EXTENT TO WHICH ACCELERATED EC MEMBERSHIP COULD POSE SIGNIFICANT ECONOMIC PROBLEMS FOR GREECE, THE EC OR THE US IS NOT CLEAR. WE WOULD THEREFORE APPRECIATE THE EMBASSY'S ASSISTANCE IN ANSWERING THE FOLLOWING QUESTIONS:

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(A) WHAT DO THE GREEKS BELIEVE TO BE A REALISTIC TIME-

TABLE FOR MOVEMENT TO FULL MEMBERSHIP IN THE COMMUNITY
AND ARE THEIR PRIMARY MOTIVATIONS POLITICAL OR ECONOMIC?

(B) OUR PRELIMINARY ANALYSIS INDICATES THAT GREEK MOVEMENT
TOWARD A FULL CUSTOMS UNION, ON EITHER AN ACCELERATED
OR SCHEDULED BASIS, IS NOT LIKELY TO HAVE SIGNIFICANT
ADVERSE EFFECTS ON US AGRICULTURAL OR INDUSTRIAL EXPORTS.
DOES YOUR INFORMATION CONFIRM THAT ASSERTION?

(C) MOST GREEK INDUSTRIES APPEAR TO BE PROTECTED FROM
COMPETITIVE EC IMPORTS. TARIFFS ON INFANT AND OTHER
PROTECTED INDUSTRIES HAVE BEEN CUT BY 36 PER CENT SINCE
THE ASSOCIATION AGREEMENT TOOK EFFECT IN 1962 AND HAVE
BEEN SCHEDULED FOR TOTAL PHASE-OUT BY 1984. WHAT ARE
THE MAIN GREEK INDUSTRIES BEING PROTECTED? TO WHAT
EXTENT COULD THEY ADJUST TO AN ACCELERATED SCHEDULE FOR
DISMANTLING OF PROTECTIVE TARIFFS OR EVEN MEET THE
ORIGINAL TARGET DATE OF 1984? WHAT OTHER MEASURES
BESIDES TARIFF RESTRICTIONS ARE BEING EMPLOYED TO PROTECT
THESE SAME GREEK INDUSTRIES AND TO WHAT DEGREE COULD
THEY BE ELIMINATED ON A NON-DISCRIMINATORY BASIS WITHIN
THE CONTEXT OF THE PROPOSED ACCELERATION OR BY THE
ORIGINALLY STIPULATED DATE OF 1984?

(D) FOR WHAT PERCENTAGES OF THE TOTAL GREEK ECONOMY
(GDP) AND TOTAL INDUSTRIAL OUTPUT DO THE ABOVE PROTECTED
INDUSTRIES ACCOUNT?

(E) WHAT SHARE OF THE GREEK LABOR FORCE WORKS IN AGRI-
CULTURE AND INDUSTRY, RESPECTIVELY, AND WHAT ARE THE
PROJECTIONS UP THROUGH 1984? WHAT SHARE OF GREECE'S
EXPORTS IS INDUSTRIAL AND WHAT PART, AGRICULTURAL AND
WHAT ARE THE EXPECTED CHANGES FOR THE SAME PERIOD?

(F) TO WHAT EXTENT IS THERE FREE ENTRY INTO THE EC
NOW FOR GREEK LABORERS AND, IF NOT TOTALLY OPEN, WHAT
CHANGES ARE SCHEDULED OR PROJECTED?

(G) WHAT KIND OF AGRICULTURAL SUPPORT SYSTEM DOES
GREECE HAVE? IS ITS FARM SUPPORT MECHANISM LOWER OR
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HIGHER THAN THAT OF THE COMMUNITY? TO WHAT DEGREE AND
IN WHAT PRODUCTS WOULD GREECE HAVE DIFFICULTY ADJUST-
ING TO THE CAP? ACCORDING TO WHAT CRITERIA DID KARAMAN-
LIS ASSERT IN HIS JUNE 12 SPEECH THAT GREEK FARMERS
WOULD BENEFIT FROM EC MEMBERSHIP?

(H) HOW MUCH OF A PROBLEM WOULD EC WINES CREATE FOR
GREECE AND VICE VERSA? FOR WHAT PERCENTAGE OF COMMUNITY

WINE CONSUMPTION DOES GREEK WINE ACCOUNT?

(I) WHAT IS THE CURRENT LEVEL AND CONCENTRATION OF US INVESTMENT IN GREECE AND TO WHAT EXTENT WOULD GREEK MEMBERSHIP IN THE EC AFFECT PRESENT OR PROJECTED US INVESTMENT?

3. ACTION REQUESTED: EMBASSY ATHENS ADDRESS QUESTIONS
2A-I. USEC ADDRESS QUESTION 2H. KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MEMBERSHIP APPLICATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 27 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: buchantr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE151770
Document Source: CORE
Document Unique ID: 00
Drafter: SVOGELGESANG:APD
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750223-0940
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975068/aaaaahfl.tel
Line Count: 124
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: buchantr
Review Comment: n/a
Review Content Flags:
Review Date: 22 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <22 APR 2003 by ShawDG>; APPROVED <14 OCT 2003 by buchantr>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ACCELERATED GREEK MEMBERSHIP IN THE EC
TAGS: PFOR, GR, EEC
To: ATHENS EC BRUSSELS
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006